STATE OF MICHIGAN
ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **4**
to
Contract Number **071B3200026**

CONTRACTOR	
	Moore-Clark U.S.A.
	15 Saunders Way, Suite 500E
	Westbrook, ME 04092
	Chris Shilale
	(207) 591-7077
	chris.shilale@bio-oregon.com
	*******5587

STATE			
	Program Manager	Ruth Thole	DNR
		517-335-1553	
		tholer@michigan.gov	
	Contract Administrator	Jared Ambrosier	DTMB
		(517) 284-6398	
		ambrosierj@michigan.gov	

CONTRACT SUMMARY			
FISH FEED - STANDARD DIET, LOW PHOSPHOROUS, & MEDICATED			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2015	2 - 1 Year	November 30, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45 Days		30 Days ARO	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
☐ P-Card	☐ Direct Voucher (DV)	☐ Other	☐ Yes ☒ No
MINIMUM DELIVERY REQUIREMENTS			
One, 44 Pound Bag			

DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☒	12 months	☐		November 30, 2017
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
$2,153,117.96	$100,000.00	$2,253,117.96		

DESCRIPTION

Effective November 3, 2016,this Contract is exercising the second option year and is increased by $100,000. The revised contract expiration date is November 30, 2017. Pricing on this Contract is increased, per Attachments A and B. All other terms, conditions, and specifications remain the same. Per contractor and agency agreement, and DTMB Procurement approval.

Form No. DTMB-3521 (Rev. 7/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3

to

CONTRACT NO. 071B3200026

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Moore-Clark USA, d/b/a Bio-Oregon	Chris Shilale	Chris.Shilale@bio-oregon.com
15 Saunders Way, Suite 500E	**PHONE**	**CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)**
Westbrook, ME 04092	207-591-7077	5587

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DNR	Ruth Thole	517-284-5973	tholer@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Lisa Crozier-Green	517-284-7042	CrozierGreenL@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Fish Feed – Standard Diet, Low Phosphorous, and Medicated - DNR

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2015	Two, 1-Year Options	November 30, 2015

PAYMENT TERMS	DELIVERY TIMEFRAME
Net 45 Days	30 Days ARO

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☒ P-card ☒ Direct Voucher (DV) ☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS

One, 44-pound bag

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☒	One Year	☐		November 30, 2016

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$1,553,117.96	$600,000.00	$2,153,117.96

DESCRIPTION: Effective September 11, 2015 this contract is exercising the FIRST option year and is INCREASED by $600,000.00 for DNR use.. The new contract value is $2,153,117.96. All other terms, conditions, pricing and specifications remain unchanged. Per agency request, contractor agreement, and DTMB-Procurement approval.

Form No. DTMB-3521 (Rev. 7/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 2

to

CONTRACT NO. 071B3200026

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Moore-Clark USA, d/b/a Bio-Oregon	Chris Shilale	Chris.Shilale@bio-oregon.com
15 Saunders Way, Suite 500E	**PHONE**	**CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)**
Westbrook, ME 04092	207-591-7077	5587

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DNR	Ruth Thole	517-284-5973	tholer@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Lisa Crozier-Green	517-284-7042	CrozierGreenL@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Fish Feed – Standard Diet, Low Phosphorous, and Medicated - DNR

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2015	Two, 1-Year Options	November 30, 2015

PAYMENT TERMS	DELIVERY TIMEFRAME
Net 45 Days	30 Days ARO

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☒ P-card ☒ Direct Voucher (DV) ☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS

One, 44-pound bag

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		November 30, 2015

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$1,453,117.96	$100,000.00	$1,553,117.96

DESCRIPTION: Effective August 17, 2015, the contract value is INCREASED by $100,000.00 for DNR use.. The new contract value is $1,553,117.96. All other terms, conditions, pricing and specifications remain unchanged. Per agency request, contractor agreement, and DTMB-Procurement approval.

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

CHANGE NOTICE NO. 1
To
CONTRACT NO. 071B3200026
Between
THE STATE OF MICHIGAN

And

FAX: (207) 591-7078

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Moore-Clark USA, dba Bio-Oregon	Chris Shilale	Chris.Shilale@bio-oregon.com
15 Saunders Way, Suite 500E	TELEPHONE	CONTRACTOR #, MAIL CODE
Westbrook, ME 04092	(207) 591-7077	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DNR	Ruth Thole	(517) 284-5973	tholer@michigan.gov
BUYER:	DTMB	Paula Hurst	(517) 284-7016	hurstp2@michigan.gov

INITIAL CONTRACT SUMMARY:

DESCRIPTION: **Fish Feed – Standard Diet, Low Phosphorous, and Medicated - DNR**

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
Three Years	December 1, 2012	November 30, 2015	Two, One-Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45 Days	Delivered	30 Days ARO	Westbrook, ME / Longview, WA

ALTERNATE PAYMENT OPTIONS:	AVAILABLE TO MiDEAL PARTICIPANTS
☒ P-card ☒ Direct Voucher (DV) ☐ Other	☐ YES ☒ NO

MINIMUM DELIVERY REQUIREMENTS:
One, 44 pound bag

DESCRIPTION OF CHANGE NOTICE:

OPTION EXERCISED: ☒ NO ☐ YES | IF YES, NEW EXPIRATION DATE:

Effective March 25, 2014, the Contract value is INCREASED by $600,000.00. The new Contract value is $1,453,117.96. All other terms, conditions, pricing, and specifications remain unchanged.

Per agency request, approval from the State Administrative Board dated March 25, 2014, and DTMB-Procurement agreement.

VALUE/COST OF CHANGE NOTICE:	$600,000.00
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	$1,453,117.96

Form No. DTMB-3522 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B3200026

between

THE STATE OF MICHIGAN

and

FAX: (207) 591-7078

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Moore-Clark USA, dba Bio-Oregon	Chris Shilale	Chris.Shilale@bio-oregon.com
15 Saunders Way, Suite 500E	**TELEPHONE**	**CONTRACTOR #, MAIL CODE**
Westbrook, ME 04092	(207) 591-7077	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DNR	Ruth Thole	(517) 335-1553	tholer@michigan.gov
BUYER:	DTMB	Paula Hurst	(517) 373-9776	hurstp2@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION:

Fish Feed – Standard Diet, Low Phosphorous, and Medicated

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
Three Years	12/01/2012	11/30/2015	Two, One-Year Options
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
Net 45 Days	Delivered	30 Days ARO	Westbrook, ME / Longview, WA

ALTERNATE PAYMENT OPTIONS:	AVAILABLE TO MiDEAL PARTICIPANTS
☒ P-card ☒ Direct Voucher (DV) ☐ Other	☐ YES ☒ NO

MINIMUM DELIVERY REQUIREMENTS:

One, 44 pound bag

MISCELLANEOUS INFORMATION:

ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:	**$853,117.96**

Form No. DTMB-3522 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B3200026

between

THE STATE OF MICHIGAN

and

FAX: (207) 591-7078

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Moore-Clark USA, dba Bio-Oregon	Chris Shilale	Chris.Shilale@bio-oregon.com
15 Saunders Way, Suite 500E	**TELEPHONE**	**CONTRACTOR #, MAIL CODE**
Westbrook, ME 04092	(207) 591-7077	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DNR	Ruth Thole	(517) 335-1553	tholer@michigan.gov
BUYER:	DTMB	Paula Hurst	(517) 373-9776	hurstp2@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION:

Fish Feed – Standard Diet, Low Phosphorous, and Medicated

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
Three Years	12/01/2012	11/30/2015	Two, One-Year Options
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
Net 45 Days	Delivered	30 Days ARO	Westbrook, ME / Longview, WA

ALTERNATE PAYMENT OPTIONS:	AVAILABLE TO MiDEAL PARTICIPANTS
☒ P-card ☒ Direct Voucher (DV) ☐ Other	☐ YES ☒ NO

MINIMUM DELIVERY REQUIREMENTS:

One, 44 pound bag

MISCELLANEOUS INFORMATION:

ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:	**$853,117.96**

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #071I3200010. Orders for delivery will be issued directly by the Department of Natural Resources through the issuance of a Purchase Order, Blanket Purchase Order, Direct Bill Order (Direct Voucher) or Procurement Card Order.

Contract #:071B3200026

FOR THE CONTRACTOR:	FOR THE STATE:
Firm Name	Signature Rebecca Cook Acting Commodities Division Director
Authorized Agent Signature	Name/Title DTMB-Procurement
Authorized Agent (Print or Type)	Enter Name of Agency
Date	Date

Table of Contents

Definitions **11**

1.1 Project Identification **12**
1.1.1 Project Request 12
1.1.2 Background 12

1.2 Scope of Work and Deliverable(s) **12**
1.2.1 In Scope – Deleted, Not Applicable 12
1.2.2 Deliverable(s) 12
1.2.3 Quantity 12
1.2.4 Ordering 12
1.2.5 Alternate Bids – Deleted, Not Applicable 12

1.3 Management and Staffing **12**
1.3.1 Project Management 12
1.3.2 Reports 12
1.3.3 Staff, Duties, and Responsibilities 13
1.3.4 Meetings 13
1.3.5 Place of Performance 13
1.3.6 Reserved 13
1.3.7 Binding Commitments- Deleted, Not Applicable 13
1.3.8 Training- Deleted, Not Applicable 13
1.3.9 Security – Deleted, Not Applicable 13

1.4 Delivery and Acceptance **13**
1.4.1 Time Frames 13
1.4.2 Minimum Order 13
1.4.3 Packaging 14
1.4.4 Palletizing 14
1.4.5 Delivery Term 14
1.4.6 Acceptance Process 15
1.4.7 Criteria 15

1.5 Proposal Pricing **15**
1.5.1 Pricing 15
1.5.2 Quick Payment Terms – Deleted, Not Applicable 15
1.5.3 Price Term 15
1.5.4 Tax Excluded from Price 15
1.5.5 Invoices 15

1.6 Commodity Requirements **15**
1.6.1 Customer Service 16
1.6.2 Research and Development – Deleted, Not Applicable 16
1.6.3 Quality Assurance Program 16
1.6.4 Warranty for Deliverable(s) 16
1.6.5 Special Incentives 16
1.6.6 Energy Efficiency – Deleted, Not Applicable 16
1.6.7 Environmental Requirements - Deleted, Not Applicable 16
1.6.8 Recycled Content and Recyclability - Deleted, Not Applicable 16
1.6.9 Materials Identification and Tracking 16

1.7 Extended Purchasing **17**
1.7.1 MiDEAL – Deleted, Not Applicable 17
1.7.2 State Employee Purchases – Deleted, Not Applicable 17
1.7.3 Cooperative Purchasing –Deleted, Not Applicable 17

Article 2 – Terms and Conditions ***18***

2.1 Contract Term 18
2.1.1 Contract Term 18
2.1.2 Options to Renew 18

2.2 Payments and Taxes 18
2.2.1 Fixed Prices for Deliverable(s) 18
2.2.2 Payment Deadlines 18
2.2.3 Invoicing and Payment – In General -Deleted, Not Applicable 18
2.2.4 Pro-ration -Deleted, Not Applicable 18
2.2.5 Final Payment and Waivers 18
2.2.6 Electronic Payment Requirement 18
2.2.7 Employment Taxes 18
2.2.8 Sales and Use Taxes 18

2.3 Contract Administration 18
2.3.1 Issuing Office 19
2.3.2 Contract Compliance Inspector 19
2.3.3 Project Manager 19
2.3.4 Contract Changes 19
2.3.5 Price Changes 20
2.3.6 Notices 20
2.3.7 Covenant of Good Faith 20
2.3.8 Assignments 21
2.3.9 Equipment – Deleted, Not Applicable 21
2.3.10 Facilities -Deleted, Not Applicable 21

2.4 Contract Management 21
2.4.1 Contractor Personnel Qualifications 21
2.4.2 Contractor Key Personnel 21
2.4.3 Removal or Reassignment of Personnel at the State's Request 21
2.4.4 Contractor Personnel Location – Deleted, Not Applicable 21
2.4.5 Contractor Identification 21
2.4.6 Cooperation with Third Parties 21
2.4.7 Relationship of the Parties 21
2.4.8 Contractor Return of State Equipment/Resources – Deleted, Not Applicable 21
2.4.9 Background Checks – Deleted, Not Applicable 21
2.4.10 Compliance With State Policies – Deleted, Not Applicable 22

2.5 Subcontracting by Contractor 22
2.5.1 Contractor Responsible 22
2.5.2 State Approval of Subcontractor 22
2.5.3 Subcontract Requirements 22
2.5.4 Competitive Selection 22

2.6 Reserved 22

2.7 Performance 22
2.7.1 Time of Performance 22
2.7.2 Service Level Agreements -Deleted, Not Applicable 22
2.7.3 Liquidated Damages – Deleted, Not Applicable 22
2.7.4 Excusable Failure 22

2.8 Acceptance of Deliverable(s) 23
2.8.1 Quality Assurance 23
2.8.2 Delivery Responsibilities 23
2.8.3 Process for Acceptance of Deliverable(s) 23
2.8.4 Acceptance of Deliverable(s) 24
2.8.5 Process for Approval of Written Deliverable(s) -Deleted, Not Applicable 24

2.8.6 Process for Approval of Services -Deleted, Not Applicable 24
2.8.7 Final Acceptance 24

2.9 Ownership -Deleted, Not Applicable 24

2.10 State Standards -Deleted, Not Applicable 24

2.11 Confidentiality 24
2.11.1 Confidential Information 24
2.11.2 Protection and Destruction of Confidential Information 24
2.11.3 Exclusions 25
2.11.4 No Obligation to Disclose 25
2.11.5 Security Breach Notification 25

2.12 Records and Inspections 25
2.12.1 Inspection of Work Performed 25
2.12.2 Retention of Records 25
2.12.3 Examination of Records 25
2.12.4 Audit Resolution 26
2.12.5 Errors 26

2.13 Warranties 26
2.13.1 Warranties and Representations 26
2.13.2 Warranty of Merchantability 27
2.13.3 Warranty of Fitness for a Particular Purpose 27
2.13.4 Warranty of Title 27
2.13.5 Equipment Warranty – Deleted, Not Applicable 27
2.13.6 New Deliverable(s) – Deleted, Not Applicable 27
2.13.7 Prohibited Products 27
2.13.8 Consequences For Breach 27

2.14 Insurance 27
2.14.1 Liability Insurance 27
2.14.2 Subcontractor Insurance Coverage 29
2.14.3 Certificates of Insurance and Other Requirements 29

2.15 Indemnification 29
2.15.1 General Indemnification 30
2.15.2 Code Indemnification - Deleted, Not Applicable 30
2.15.3 Employee Indemnification 30
2.15.4 Patent/Copyright Infringement Indemnification 30
2.15.5 Continuing Obligation 30
2.15.6 Indemnification Procedures 30
2.15.7 Limitation of Liability 31

2.16 Termination by the State 31
2.16.1 Notice and Right to Cure 31
2.16.2 Termination for Cause 31
2.16.3 Termination for Convenience 32
2.16.4 Termination for Non-Appropriation 32
2.16.5 Termination for Criminal Conviction 32
2.16.6 Termination for Approvals Rescinded 32
2.16.7 Rights and Obligations upon Termination 32
2.16.8 Reservation of Rights 33
2.16.9 Contractor Transition Responsibilities 33
2.16.10 Transition Payments 33

2.17 Termination by the Contractor 33
2.17.1 Termination 33

2.18 Stop Work 33
2.18.1 Stop Work Order – Deleted, Not Applicable 33
2.18.2 Termination of Stop Work Order –Deleted, Not Applicable 34
2.18.3 Allowance of the Contractor's Costs – Deleted, Not Applicable 34

2.19 Reserved 34

2.20 Dispute Resolution 34
2.20.1 General 34
2.20.2 Informal Dispute Resolution 34
2.20.3 Injunctive Relief 34
2.20.4 Continued Performance 34

2.21 Disclosure Responsibilities 34
2.21.1 Disclosure of Litigation 34
2.21.2 Other Disclosures 35
2.21.3 Call Center Disclosure 35

2.22 Extended Purchasing 35
2.22.1 MiDEAL Requirements – Deleted, Not Applicable 35
2.22.2 State Administrative Fee - Deleted, Not Applicable 35
2.22.3 State Employee Purchase Requirements – Deleted, Not Applicable 35
2.22.4 Cooperative Purchasing – Deleted, Not Applicable 35

2.23 Laws 35
2.23.1 Governing Law 35
2.23.2 Compliance with Laws 35
2.23.3 Jurisdiction 35
2.23.4 Nondiscrimination 36
2.23.5 Unfair Labor Practices 36
2.23.6 Environmental Provision 36
2.23.7 Freedom of Information 36
2.23.8 Workplace Safety and Discriminatory Harassment - Deleted, Not Applicable 36
2.23.9 Prevailing Wage - Deleted, Not Applicable 36
2.23.10 Abusive Labor Practices 36

2.24 General Provisions 37
2.24.1 Bankruptcy and Insolvency 37
2.24.2 Media Releases 37
2.24.3 Contract Distribution 37
2.24.4 Permits 37
2.24.5 Website Incorporation 37
2.24.6 Future Bidding Preclusion -Deleted, Not Applicable 37
2.24.7 Antitrust Assignment 37
2.24.8 Disaster Recovery 37
2.24.9 Legal Effect 37
2.24.10 Entire Agreement 38
2.24.11 Order of Precedence 38
2.24.12 Headings 38
2.24.13 Form, Function and Utility – Deleted, Not Applicable 38
2.24.14 Reformation and Severability 38
2.24.15 Approval 38
2.24.16 No Waiver of Default 38
2.24.17 Survival 38
2.24.18 PCI Data Security Standard 38

Attachment A, Pricing 39

Definitions

This section provides definitions for terms used throughout this document.

Business Day - whether capitalized or not, means any day other than a Saturday, Sunday, State employee temporary layoff day, or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am through 5:00pm Eastern Time unless otherwise stated.

Buyer – the DTMB-Procurement employee identified on the cover page of this ITB.

Chronic Failure - as defined in applicable Service Level Agreements.

Contract – based on this ITB, an agreement that has been approved and executed by the awarded Bidder, the DTMB-Procurement Director, and the State Administrative Board.

Contractor – the awarded Bidder after the Effective Date.

Days - Business Days unless otherwise specified.

Deleted, Not Applicable - the section is not applicable or included in this ITB. This is used as a placeholder to maintain consistent numbering.

Deliverable(s) - physical goods or commodities as required or identified in a Statement of Work.

Eastern Time – either Eastern Standard Time or Eastern Daylight Time, whichever is prevailing in Lansing, Michigan.

Effective Date - the date that a binding contract is executed by the final party.

Final Acceptance - has the meaning provided in Section 2.8.7, Final Acceptance, unless otherwise stated in Article 1.

Key Personnel - any personnel designated as Key Personnel in Sections 1.3.3, Staff, Duties, and Responsibilities, and 2.4.2, Contractor Key Personnel, subject to the restrictions of Section 2.4.2.

Post-Industrial Waste - industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

Purchase Order - a written document issued by the State that requests full or partial performance of the Contract.

State - the State of Michigan.

State Location - any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

Stop Work Order - a notice requiring the Contractor to fully or partially stop work in accordance with the terms of the notice.

Subcontractor - a company or person that the Contractor delegates performance of a portion of the Deliverable(s) to, but does not include independent contractors engaged by the Contractor solely in a staff augmentation role.

Unauthorized Removal - the Contractor's removal of Key Personnel without the prior written consent of the State.

ARTICLE ONE

1.1 Project Identification

1.1.1 Project Request

This is a Contract for Bio-Oregon manufactured Fish Feed - including but not limited to standard diet feed, low phosphorus feed, and medicated feed for the State of Michigan, Department of Natural Resources (DNR). Contractor must be Bio-Oregon or a manufacturer authorized distributor.

1.1.2 Background – Deleted, Not Applicable

1.2 Scope of Work and Deliverable(s)

1.2.1 In Scope – Deleted, Not Applicable

1.2.2 Deliverable(s)

Bio-Oregon manufactured brand fish feed including, but not limited to, the products listed on Attachment A – Pricing. Alternate brands will not be accepted.

(a) All Fish feed to have non-detectable concentrations of PCBs and its metabolites, DDT and its metabolites, Chlordane and its metabolites, Lead, Cadmium and Mercury. There will be no detectable amounts of the causative pathogens for any OIE emergency fish disease along with bacterial kidney disease.

(b) If Fish feed is in pellet form, the length of the pellet shall not be greater than the diameter of the pellet.

(c) Fish feed shall not be bagged until cooled to 10ºF above ambient air temperature and dried to moisture content of 10% or less.

(d) Each batch of fish feed shipped to DNR must be tested for phosphorus content by an independent testing laboratory. Test results must be forwarded to the DNR Project Manager, Jon Jackoviak, prior to delivery of goods to the hatchery.

(e) At the time fish feed is delivered to DNR, feed shall be no older than 60 days from mixing date and the nutrient profile shall be in accordance with specifications contained herein.

(f) All fish feed must be packaged in 44 pound bags.

1.2.3 Quantity

The State is not obligated to purchase in any specific quantity.

1.2.4 Ordering

DNR will issue a Purchase Order, Blanket Purchase Order, Direct Bill Order (Direct Voucher) or Procurement Card Order to order any Deliverables under this Contract. Orders may be written or oral. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order or Blanket Purchase Order. The Contractor is not authorized to begin performance until receipt of a written or oral Purchase Order, Blanket Purchase Order, Direct Bill Order or Procurement Card Order.

1.2.5 Alternate Bids – Deleted, Not Applicable

1.3 Management and Staffing

1.3.1 Project Management

The Contractor will carry out this project under the direction and control of the Department of Natural Resources.

1.3.2 Reports

The Contractor must provide reports from an independent testing laboratory stating phosphorus content of each batch of fish feed shipped to DNR. Test results must be forwarded to the DNR Project Manager, Jon Jackoviak, prior to delivery of goods to the hatchery.

The Contractor shall be able to provide various reports if and when requested by DNR. Examples include itemized report of total items purchased by each DNR Fisheries location, open invoice reports, quantity reports, etc.

All reports should be submitted electronically to DNR at the below email address:

Jon Jackoviak, Fisheries Biologist
Email: jackoviakj@michigan.gov

1.3.3 Staff, Duties, and Responsibilities

Contractor personnel assigned to this Contract include:

1. George Demos, Outside Sales
2. Chris Shilale, Inside Sales, Customer Service, Accounts Receivable, and Problem Resolution
3. Ron Malnor, Sales Manager.

The Contractor will be required to assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regards to contractual matters, including payment of any and all charges resulting from the Contract. If any part of the work is to be subcontracted, the Contract must include a list of subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve subcontractors and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract. Any change in subcontractors must be approved by the State, in writing, prior to such change.

1.3.4 Meetings

The State may request meetings as it deems appropriate.

1.3.5 Place of Performance

Full address of place of performance	Owner/operator of facility to be used	Percent (%) of Contract value to be performed at listed location
15 Saunders Way, Suite 500E Westbrook, ME, 04092	Moore-Clark USA dba Bio-Oregon	100

1.3.6 Reserved

1.3.7 Binding Commitments- Deleted, Not Applicable

1.3.8 Training- Deleted, Not Applicable

1.3.9 Security – Deleted, Not Applicable

1.4 Delivery and Acceptance

1.4.1 Time Frames

Standard delivery: Prices are F.O.B. Delivered with transportation charges prepaid on all orders to the State. Orders will be delivered within three to four weeks after receipt of order (ARO).

Expited shipments: Prices are F.O.B. Standard Delivery rates plus actual incremental costs charged by freight company for expedited service. Transportation charges are prepaid.

The receipt of order date is governed in the same manner as notices sent under Section 2.3.6, Notices.

1.4.2 Minimum Order

The States minimum order requirement is one 44 pound bag.

1.4.3 Packaging

Fish feed that is not oil coated shall be bagged in new, multiwall, plain paper bags. Bags shall be sealed closed after filling. Each bag shall be labeled with pellet or granule size, date of mixing, and type of diet. The net weight of feed in each bag shall be 44 pounds.

Fish feed granules that are oil coated shall be packaged in special polyethylene or glassine lined bags to prevent leakage of oil. Bags shall be sealed closed after filling. Each bag shall be labeled with pellet or granule size, date of mixing, and type of diet. The net weight of feed in each bag shall be 44 pounds.

Packaging and containers must meet the current requirements of state and federal law applicable to rail and motor carrier freight classifications.

1.4.4 Palletizing

Shipments must be palletized whenever possible and must conform to the following:

(a) Manufacturer's standard 4-way shipping pallets must be used.
(b) Maximum height is 5’6” including pallet.
(c) Maximum weight is 2,200 pounds of feed (50 bags) per pallet.
(d) Pallets must to be securely banded or shrink-wrapped.
(e) The cost of palletizing is included in the unit price.

1.4.5 Delivery Term

Prices are "F.O.B. Delivered" with transportation charges prepaid on all orders to the locations listed:

Wolf Lake State Fish Hatchery	34270 Country Road 652 Mattawan, MI 49071 269-668-2696, ext. 25
Platte River State Fish Hatchery	15210 US Highway 31 Beulah, MI 49617-9760 231-327-4611
Oden State Fish Hatchery	3377 ½ Oden Road Oden, MI 49764 231-327-4689
Thompson State Fish Hatchery	RR2, Box 2534, M-149 Thompson, MI 49855 906-341-5587
Marquette State Fish Hatchery	488 Cherry Creek Road Marquette, MI 49855 906-249-1611
Harrietta State Fish Hatchery	6801 W. Thirty Mile Harrietta, MI 49638 231-389-2211
Lake Superior State University	Aquatics Lab Receiving Department 1100 Meridian Street Sault Sainte Marie, MI 49783

Deliveries for all hatchery locations shall be coordinated by the DNR, Fisheries Division. Deliveries will only be accepted Monday through Friday, excluding legal State holidays, before 3:00 p.m. Deliveries arriving after 3:00 p.m. will not be unloaded until the following day.

1.4.6 Acceptance Process

The acceptance process is defined in Section 2.8.4, Acceptance of Deliverable(s). Additional requirements for acceptance are:

(a) Each batch of feed must be tested for phosphorus content by an independent testing laboratory; test results must be forwarded to the DNR Project Manager, Jon Jackoviak, prior to delivery of goods to the hatchery.

(b) Deliveries will be accepted during the hours specified in Section 1.4.5, Delivery Term.

(c) Delivery may be made only when a DNR representative or their designee is available to inspect goods and verify quantity delivered. Contractor must obtain DNR representative's, or designee's signature on delivery ticket.

1.4.7 Criteria

The State will use the following criteria to determine acceptance of Deliverable(s):

(a) Phosphorus level, per test results, must be acceptable to the DNR Project Manager.

(b) Each order placed shall be delivered in the quantities ordered and within the timeframe outlined in the Contract.

(c) The DNR representative, or their designee, will approve acceptance of goods upon delivery.

1.5 Pricing

1.5.1 Pricing

See Attachment A – Pricing.

1.5.2 Quick Payment Terms – Deleted, Not Applicable

1.5.3 Price Term

Prices in **Attachment A** are firm with prospective renegotiation at an agreed upon time. The criteria for a re-determination of pricing are under Section 2.3.5, Price Changes.

1.5.4 Tax Excluded from Price

(a) Sales Tax: The State is exempt from sales tax for direct purchases. The Contractor's prices must not include sales tax. DTMB-Procurement will furnish exemption certificates for sales tax upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, the Contractor's prices must not include the Federal Excise Tax.

1.5.5 Invoices

The Contractor's invoice should include the following:

(a) Date
(b) PO #
(c) Quantity
(d) Deliverable
(e) Unit Price
(f) Shipping Cost (if any)
(g) Total Price

Invoices must not be sent to DNR prior to receipt of goods. A copy of the delivery ticket, signed by a DNR representative or their designee, must accompany the invoice.

1.6 Commodity Requirements

1.6.1 Customer Service

The Contractor is able to receive orders electronically, by facsimile transmission or by written order. Contractor has internal controls to insure that only authorized individuals with the State place orders. Contractor will verify orders that have quantities that appear to be abnormal or excessive.

George Demos is the Sales Representative assigned to the State of Michigan, and Chris Shilale is the Inside Sales/Customer Service/Orders/Problem Resolution representative assigned to the State of Michigan and they can be reached during normal business hours by calling (877) 221-2429 or (207) 591-7077, or via fax at (877) 211-2928. After hours support is available by calling George Demos at (207) 951-1622 or Chris Shilale at (207) 409-3539.

The Contractor will respond to agency inquiries within 24 hours.

The Contractor's business hours are 8:30 am to 5:00 pm Eastern Standard Time, Monday through Friday. Observed holidays are New Year's Day, Martin Luther King Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day.

The Contractor will accept the return of product that is damaged in transit, contains mold or other contamination, has a specification not matching Guaranteed Analysis, or the wrong product is shipped. Other concerns regarding reasons for returns not listed here that may arise should be directed to Chris Shilale for individual consideration.

1.6.2 Research and Development – Deleted, Not Applicable

1.6.3 Quality Assurance Program

All feeds are produced according to U.S. government laws at outlined in the Code of Federal Regulations and in local State regulations. Other guidelines contained in the Feeds Regulations concerning labeling, guaranteed analysis, and the associated tolerances for nutrient guarantees are carefully adhered to. In addition, to ensure compliance with feed regulations, plants are regularly inspected by the United States Food and Drug Administration. Contractor's plants also have current ISO-9000-2000 and Hazard Analysis and Critical Control Points (HACCP) certifications.

1.6.4 Warranty for Deliverable(s)

Fish feed should be stored in a cool, dry place. When properly stored, the nutritional content of standard diets (including starter feeds) are guaranteed for nine months from the date of manufacture. BioDry 1000LP and feeds with elevated pigment levels (including BioBrood) are guaranteed for six months.

1.6.5 Special Incentives

No special incentives are being offered; however, a cost savings of $0.03 per pound can be achieved through full truck load delivery orders.

1.6.6 Energy Efficiency – Deleted, Not Applicable

1.6.7 Environmental Requirements - Deleted, Not Applicable

1.6.8 Recycled Content and Recyclability - Deleted, Not Applicable

1.6.9 Materials Identification and Tracking

(a) **Hazardous Chemical Identification**. The Contractor must list any hazardous chemical, as defined in 40 CFR §370.2, to be delivered. Each hazardous chemical must be properly identified, including any applicable identification number, such as a National Stock Number or Special Item Number. Material Safety Data Sheets must be submitted in accordance with the federal Emergency Planning and Community Right-to-Know Act, 42 USC 11001 *et seq.*, as amended. This list must be updated whenever any other chemical to be delivered is hazardous.

Chemical (if none, enter 'None')	Identification Number
None	

(b) **Mercury Content**. Under MCL 18.1261d, the Contractor must offer mercury-free products whenever possible. The Contractor must explain if it intends to provide products containing mercury and whether cost competitive alternatives exist. If cost competitive alternatives do not exist, the Contractor must disclose the amount or concentration of mercury and justification as to why this particular product is essential. All products containing mercury must be labeled as containing mercury. The State may, at its discretion, refuse to accept products containing mercury.

Product (if none, enter 'None')	Contains Mercury
None	No

(c) **Brominated Flame Retardants**. The State prefers to purchase products that do not contain brominated flame retardants (BFRs) whenever possible. The Contractor must disclose whether the products contain BFRs.

Product (if none, enter 'None')	Contains Mercury
None	No

(d) **Environmental Permits and Requirements**. The Contractor must disclose whether any of its facilities are in violation of any environmental laws. The Contractor must immediately notify DTMB-Procurement of the receipt of any EPA, State, or local agency communication indicating that any of the Contractor's facilities are in violation of applicable environmental laws.

1.7 Extended Purchasing

1.7.1 MiDEAL – Deleted, Not Applicable

1.7.2 State Employee Purchases – Deleted, Not Applicable

1.7.3 Cooperative Purchasing –Deleted, Not Applicable

Article 2 – Terms and Conditions

2.1 Contract Term

2.1.1 Contract Term

The Contract term begins approximately December 1, 2012, and expires November 30, 2015. All outstanding Purchase Orders will expire upon the termination of the Contract for any of the reasons listed in Section 2.16, Termination by the State, unless otherwise agreed to in writing by DTMB-Procurement. Absent an early termination, Purchase Orders issued, but not expired, by the end of the Contract's term will remain in effect until the next September 30.

2.1.2 Options to Renew

The Contract may be renewed for up to two additional one-year period(s). Renewal must be by mutual written agreement of the parties, not less than 30 days before expiration of the Contract.

2.2 Payments and Taxes

2.2.1 Fixed Prices for Deliverable(s)

Prices are fixed for all Deliverable(s).

2.2.2 Payment Deadlines

Undisputed invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 PA 279, MCL 17.51 *et seq.*, within 45 days after receipt.

2.2.3 Invoicing and Payment – In General -Deleted, Not Applicable

2.2.4 Pro-ration -Deleted, Not Applicable

2.2.5 Final Payment and Waivers

The Contractor's acceptance of final payment by the State constitutes a waiver of all claims by the Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed. For other claims, final payment by the State will not constitute a waiver by either party of any rights as to the other party's continuing obligations, nor will it constitute a waiver of any claims under this Contract, including claims for Deliverable(s) not reasonably known to be defective or substandard.

2.2.6 Electronic Payment Requirement

As required by MCL 18.1283a, the Contractor must electronically register with the State at http://www.michigan.gov/cpexpress to receive electronic fund transfer (EFT) payments.

2.2.7 Employment Taxes

The Contractor must collect and pay all applicable federal, state, and local employment taxes.

2.2.8 Sales and Use Taxes

The Contractor must register and remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. If the Contractor lacks sufficient presence in Michigan to be required to register and pay taxes, it must do so on a voluntary basis. The requirement to register and remit sales and use taxes extends to (a) all members of a "controlled group of corporations" as defined in § 1563(a) of the Internal Revenue Code, 26 USC 1563(a), and applicable regulations; and (b) all organizations under common control that make sales at retail for delivery into the State. Any United States Department of Treasury regulation that references "two or more trades or businesses under common control" includes organizations such as sole proprietorships, partnerships (as defined in § 7701(a)(2) of the Internal Revenue Code, 26 USC 7701(a)(2)), trusts, estates, corporations, or limited liability companies.

2.3 Contract Administration

2.3.1 Issuing Office

This Contract is issued by DTMB-Procurement on behalf of the Department of Natural Resources (State). **DTMB-Procurement is the only entity authorized to modify the terms and conditions of this Contract, including the prices and specifications.** The Contract Administrator within DTMB-Procurement for this Contract is:

Paula Hurst, Buyer
Procurement
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: hurstp2@michigan.gov
Phone: (517) 373-9776

2.3.2 Contract Compliance Inspector

The Contract Compliance Inspector, named below, will monitor and coordinate Contract activities on a day-to-day basis. However, monitoring of this Contract implies **no authority to modify the terms and conditions of this Contract, including the prices and specifications.**

Ruth Thole, Buyer
Department of Natural Resources
Financial Services Division
P. O. Box 30028
Lansing, MI 48909
tholer@michigan.gov
Phone: (517) 335-1553
Fax: (517) 373-6507

2.3.3 Project Manager

The Project Manager, named below, will oversee the project. However, management of the project implies **no authority to modify the terms and conditions of this Contract, including the prices and specifications.**

Jon Jackoviak, Fisheries Biologist
Harrietta State Fish Hatchery
6801 West 30 Road
Harrietta, MI 49638
jackoviakj@michigan.gov
Phone: (231) 389-2211

2.3.4 Contract Changes

(a) If the State requests or directs the Contractor to provide any Deliverable(s) that the Contractor believes are outside the scope of the Contractor's responsibilities under the Contract, the Contractor must notify the State before performing the requested activities. If the Contractor fails to notify the State, any activities performed will be considered in-scope and not entitled to additional compensation or time. If the Contractor begins work outside the scope of the Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

(b) The State or the Contractor may propose changes to the Contract. If the Contractor or the State requests a change to the Deliverable(s) or if the State requests additional Deliverable(s), the Contractor must provide a detailed outline of all work to be done, including tasks, timeframes, listing of key personnel assigned, estimated hours for each individual per Deliverable, and a complete and detailed cost justification. If the parties agree on the proposed change, DTMB-Procurement will prepare and issue a notice that describes the change, its effects on the Deliverable(s), and any affected components of the Contract (Contract Change Notice).

(c) No proposed change may be performed until DTMB-Procurement issues a duly executed Contract Change Notice for the proposed change.

2.3.5 Price Changes

If allowed by Section 1.5.3, Price Term, the State and the Contractor will complete a pricing review (Review) every 365 days following the Effective Date, to allow for changes based on actual costs incurred. Requested changes may include increases or decreases in price and must be accompanied by supporting information indicating market support of proposed modifications (such as the CPI and PPI, US City Average, as published by the US Department of Labor, Bureau of Labor Statistics).

(a) The State may request a Review upon 30 days written notice that specifies what Deliverable is being reviewed. At the Review, each party may present supporting information including information created by, presented, or received from third parties.

(b) Following the presentation of supporting information, both parties will have 30 days to review the supporting information and prepare any written response.

(c) In the event the Review reveals no need for modifications of any type, pricing will remain unchanged unless mutually agreed to by the parties. However, if the Review reveals that changes may be recommended, both parties will negotiate in good faith for 30 days unless extended by mutual agreement of the parties.

(d) If the supporting information reveals a reduction in prices is necessary and Contractor agrees to reduce rates accordingly, then the State may elect to exercise the next one year option, if available.

(e) If the supporting information reveals a reduction in prices is necessary and the parties are unable to reach agreement, then the State may eliminate all remaining Contract renewal options.

(f) Any changes based on the Review must be implemented through the issuance of a Contract Change Notice.

2.3.6 Notices

All notices and other communications required or permitted under this Contract must be in writing and will be considered given when delivered personally, by fax (if provided) or by e-mail (if provided), or by registered mail, return receipt requested, addressed as follows (or any other address that is specified in writing by either party):

If to State:

State of Michigan
DTMB-Procurement
Attention: Paula Hurst, Buyer
PO Box 30026
530 West Allegan
Lansing, MI 48909
Email: hurstp2@michigan.gov
FAX: (517) 335-0046

If to Contractor:

Bio-Oregon
Attn: Chris Shilale
15 Saunders Way, Suite 500E
Westbrook, Maine, 04092
(877) 221-2928

Delivery by a nationally recognized overnight express courier will be treated as personal delivery.

2.3.7 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless otherwise provided in this Contract, the parties will not unreasonably delay, condition or withhold their consent, decision, or approval any time it is requested or reasonably required in order for the other party to perform its responsibilities under the Contract.

2.3.8 Assignments

(a) Neither party may assign this Contract, or assign or delegate any of its duties or obligations under the Contract, to another party (whether by operation of law or otherwise), without the prior approval of the other party. The State may, however, assign this Contract to any other State agency, department, or division without the prior approval of the Contractor.

(b) If the Contractor intends to assign this Contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State and provide adequate information about the assignee at least 90 days before the proposed assignment or as otherwise provided by law or court order. The State may withhold approval from proposed assignments, subcontracts, or novations if the State determines, in its sole discretion, that the transfer of responsibility would decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(c) If the State permits an assignment of the Contractor's right to receive payments, the Contractor is not relieved of its responsibility to perform any of its contractual duties. All payments must continue to be made to one entity.

2.3.9 Equipment – Deleted, Not Applicable

2.3.10 Facilities -Deleted, Not Applicable

2.4 Contract Management

2.4.1 Contractor Personnel Qualifications

All persons assigned by the Contractor to perform work must be employees of the Contractor or its majority-owned subsidiaries, or a State-approved Subcontractor, and must be fully qualified to perform the work assigned to them. The Contractor must include this requirement in any subcontract.

2.4.2 Contractor Key Personnel

See Article 1.3.3.

2.4.3 Removal or Reassignment of Personnel at the State's Request

The State may require the Contractor to remove or reassign personnel if the State has legitimate, good-faith reasons articulated in a notice to the Contractor. Replacement personnel must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected.

2.4.4 Contractor Personnel Location – Deleted, Not Applicable

2.4.5 Contractor Identification

The Contractor's employees must be clearly identifiable while on State property and must clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.4.6 Cooperation with Third Parties

The Contractor and its Subcontractors must cooperate with the State and its agents and other contractors, including the State's quality assurance personnel. The Contractor must provide reasonable access to its personnel, systems, and facilities related to the Contract to the extent that access will not interfere with or jeopardize the safety or operation of the systems or facilities.

2.4.7 Relationship of the Parties

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of the Contractor, or any of its subcontractors, is an employee, agent or servant of the State. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants, and subcontractors during the performance of the Contract.

2.4.8 Contractor Return of State Equipment/Resources – Deleted, Not Applicable

2.4.9 Background Checks – Deleted, Not Applicable

2.4.10 Compliance With State Policies – Deleted, Not Applicable

2.5 Subcontracting by Contractor

2.5.1 Contractor Responsible

The Contractor is responsible for the completion of all Deliverable(s). The State will consider the Contractor to be the sole point of contact with regard to all contractual matters, including payment of any charges for Deliverable(s). The Contractor must make all payments to its Subcontractors or suppliers. Except as otherwise agreed in writing, the State is not obligated to make payments for the Deliverable(s) to any party other than the Contractor.

2.5.2 State Approval of Subcontractor

(a) The Contractor may not delegate any duties under this Contract to a Subcontractor unless DTMB-Procurement gives prior approval to the delegation. The State is entitled to receive copies of and review all subcontracts. The Contractor may delete or redact any proprietary information before providing it to the State.

(b) The State may require the Contractor to terminate and replace any Subcontractor the State reasonably finds unacceptable. The required replacement of a Subcontractor must be written and contain reasonable detail outlining the State's reasons. If the State exercises this right, and the Contractor cannot immediately replace the Subcontractor, the State will agree to an equitable adjustment in the schedule or other terms that may be affected by the State's required replacement.

2.5.3 Subcontract Requirements

Except where specifically approved by the State, Contractor must include the obligations in Sections 2.24.2, Media Releases, 2.4, Contract Management, 2.11, Confidentiality, 2.12, Records and Inspections, 2.13, Warranties, 2.14, Insurance, and 2.23, Laws, in all of its agreements with Subcontractors.

2.5.4 Competitive Selection

Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this Contract.

2.6 Reserved

2.7 Performance

2.7.1 Time of Performance

(a) The Contractor must immediately notify the State upon becoming aware of any circumstances that may reasonably be expected to jeopardize the completion of any Deliverable(s) by the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(b) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must immediately notify the State and, to the extent practicable, continue to perform its obligations according to the Contract time periods. The Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.7.2 Service Level Agreements -Deleted, Not Applicable

2.7.3 Liquidated Damages – Deleted, Not Applicable

2.7.4 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations that is caused by government regulations or requirements, power failure, electrical surges or current fluctuations, war, forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, acts or omissions of common carriers, fire, riots, civil disorders, labor disputes, embargoes, injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused), or any other cause beyond the reasonable control of a party; provided the non-performing party and any Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing

party through the use of alternate sources, workaround plans, or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. The non-performing party must promptly notify the other party immediately after the excusable failure occurs, and when it abates or ends. Both parties must use commercially reasonable efforts to resume performance.

If any of the reasons listed substantially prevent, hinder, or delay the Contractor's performance of the Deliverable(s) for more than 10 Days, and the State reasonably determines that performance is not likely to be resumed within a period of time that is satisfactory to the State, the State may: (a) procure the affected Deliverable(s) from an alternate source without liability for payment so long as the delay in performance continues; or (b) terminate any portion of the Contract so affected and equitably adjust charges payable to the Contractor to reflect those Deliverable(s) that are terminated. The State must pay for all Deliverable(s) for which Final Acceptance has been granted before the termination date.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure or to payments for Deliverable(s) not provided as a result of the Excusable Failure. The Contractor will not be relieved of a default or delay caused by acts or omissions of its Subcontractors except to the extent that a Subcontractor experiences an Excusable Failure and the Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans, or other means, including disaster recovery plans.

2.8 Acceptance of Deliverable(s)

2.8.1 Quality Assurance

By tendering any Deliverable to the State, the Contractor certifies to the State that (a) it has performed reasonable quality assurance activities; (b) it has performed any reasonable testing; and (c) it has corrected all material deficiencies discovered during the quality assurance activities and testing. To the extent that testing occurs at State Locations, the State is entitled to observe and otherwise participate in the testing.

2.8.2 Delivery Responsibilities

Unless otherwise specified by the State in Section 1.4.5, Delivery Term, the following are applicable to all deliveries:

(a) The Contractor is responsible for delivering the Deliverable(s) by the applicable delivery date to the location(s) specified in the SOW or individual Purchase Order.

(b) The Contractor must ship the Deliverable(s) "F.O.B. Destination, within Government Premises."

(c) The State will examine all packages at the time of delivery. The quantity of packages delivered must be recorded and any obvious visible or suspected damage must be noted at the time of delivery using the shipper's delivery document(s) and appropriate procedures to record the damage.

2.8.3 Process for Acceptance of Deliverable(s)

The State's review period for acceptance of the Deliverable(s) is governed by the applicable Statement of Work, and if the Statement of Work does not specify the State's review period, it is by default 30 Days for a Deliverable (State Review Period). The State will notify the Contractor by the end of the State Review Period that either:

(a) the Deliverable is accepted in the form delivered by the Contractor;

(b) the Deliverable is accepted, but noted deficiencies must be corrected; or

(c) the Deliverable is rejected along with notation of any deficiencies that must be corrected before acceptance of the Deliverable.

If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Days resubmit the Deliverable(s) with an explanation that demonstrates all corrections have been made to the original Deliverable(s). The Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from the Contractor, the State will have a reasonable additional period of time, not to exceed 30 Days, to accept the corrected Deliverable.

2.8.4 Acceptance of Deliverable(s)

(a) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of the Deliverable(s). The State Review Period will begin on the first Business Day following the State's receipt of the Deliverable(s).

(b) The State may inspect the Deliverable to confirm that all components have been delivered without material deficiencies. If the State determines that the Deliverable or one of its components has material deficiencies, the State may reject the Deliverable without performing any further inspection or testing.

(c) The State will only approve a Deliverable after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, in its discretion, conditionally approve a Deliverable that contains material deficiencies if the State elects to permit the Contractor to correct those deficiencies post-approval. The Contractor remains responsible for working diligently to correct, within a reasonable time at the Contractor's expense, all deficiencies in the Deliverable that remain outstanding at the time of State approval.

(d) If, after three opportunities the Contractor is unable to correct all deficiencies, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to do so at the sole expense of the Contractor; (ii) keep the Contract in force and perform, either itself or through other parties, whatever the Contractor has failed to do, and recover the difference between the cost to cure the deficiency and the Contract price plus an additional amount equal to 10% of the State's cost to cure the deficiency; or (iii) fully or partially terminate the Contract for default by giving notice to the Contractor. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(e) The State, at any time and in its reasonable discretion, may reject the Deliverable without notation of all deficiencies if the acceptance process reveals deficiencies in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable.

2.8.5 Process for Approval of Written Deliverable(s) -Deleted, Not Applicable

2.8.6 Process for Approval of Services -Deleted, Not Applicable

2.8.7 Final Acceptance

Unless otherwise stated in the Statement of Work, "Final Acceptance" of a Deliverable occurs when that Deliverable has been accepted by the State following the applicable State Review Period.

2.9 Ownership -Deleted, Not Applicable

2.10 State Standards -Deleted, Not Applicable

2.11 Confidentiality

2.11.1 Confidential Information

As used in this Section, "Confidential Information" means all information of the parties, except information that is:

(a) disclosable under the Michigan Freedom Of Information Act (FOIA);

(b) now available or becomes available to the public without breach of this Contract;

(c) released in writing by the disclosing party;

(d) obtained from a third party or parties having no obligation of confidentiality with respect to such information;

(e) publicly disclosed pursuant to federal or state law; or

(f) independently developed by the receiving party without reference to Confidential Information of the furnishing party.

2.11.2 Protection and Destruction of Confidential Information

(a) Each party must use the same care to prevent unauthorized disclosure of Confidential Information as it uses to prevent disclosure of its own information of a similar nature, but in no event less than a reasonable degree of care. Neither the Contractor nor the State will: (i) make any use of the Confidential Information of the other except as contemplated by this Contract; (ii) acquire any interest or license in or assert

any lien against the Confidential Information of the other; or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information.

(b) Each party will limit disclosure of the other party's Confidential Information to employees, agents, and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where: (i) use of a Subcontractor is authorized under this Contract; (ii) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility; and (iii) Contractor obligates the Subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access to the State's Confidential Information may be required to execute a separate agreement to be bound by the confidentiality requirements of this Section.

(c) Upon termination of the Contract, Contractor must promptly return the State's Confidential Information or certify to the State that Contractor has destroyed all of the State's Confidential Information.

2.11.3 Exclusions

The provisions of Section 2.11, Confidentiality, will not apply where the receiving party is required by law to disclose the other party's Confidential Information, provided that the receiving party: (i) promptly provides the furnishing party with notice of the legal request; and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.11.4 No Obligation to Disclose

Nothing contained in Section 2.11, Confidentiality, will be construed as obligating a party to disclose any particular Confidential Information to the other party.

2.11.5 Security Breach Notification

If Contractor breaches this Section, it must (i) promptly cure any deficiencies in Contractor's internal security controls; and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized access, use, or disclosure. Contractor must notify the State of any unauthorized use or disclosure of Confidential Information, whether suspected or actual, within 10 days of becoming aware of the use or disclosure or a shorter time period as is reasonable under the circumstances. The State may require Contractor to purchase credit monitoring services for any individuals affected by the breach.

2.12 Records and Inspections

2.12.1 Inspection of Work Performed

The State's authorized representatives, at reasonable times and with 10 days prior notice, have the right to enter the Contractor's premises or any other places where work is being performed in relation to this Contract. The representatives may inspect, monitor, or evaluate the work being performed, to the extent the access will not reasonably interfere with or jeopardize the safety or operation of Contractor's systems or facilities. The Contractor must provide reasonable assistance for the State's representatives during inspections.

2.12.2 Retention of Records

(a) The Contractor must retain all financial and accounting records related to this Contract for a period of seven years after the Contractor performs any work under this Contract (Audit Period).

(b) If an audit, litigation, or other action involving the Contractor's records is initiated before the end of the Audit Period, the Contractor must retain the records until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.12.3 Examination of Records

The State, upon 10 days' notice to the Contractor, may examine and copy any of the Contractor's records that relate to this Contract. The State does not have the right to review any information deemed confidential by the Contractor if access would require the information to become publicly available. This requirement also applies to the records of any parent, affiliate, or subsidiary organization of the Contractor, or any Subcontractor that performs services in connection with this Contract.

2.12.4 Audit Resolution

If necessary, the Contractor and the State will meet to review any audit report promptly after its issuance. The Contractor must respond to each report in writing within 30 days after receiving the report, unless the report specifies a shorter response time. The Contractor and the State must develop, agree upon, and monitor an action plan to promptly address and resolve any deficiencies, concerns, or recommendations in the report.

2.12.5 Errors

(a) If an audit reveals any financial errors in the records provided to the State, the amount in error must be reflected as a credit or debit on the next invoice and subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried forward for more than four invoices or beyond the termination of the Contract. If a balance remains after four invoices, the remaining amount will be due as a payment or refund within 45 days of the last invoice on which the balance appeared or upon termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, if the difference between the State's actual payment and the correct invoice amount, as determined by an audit, is greater than 10%, the Contractor must pay all reasonable audit costs.

2.13 Warranties

2.13.1 Warranties and Representations

The Contractor represents and warrants:

(a) It is capable of fulfilling and will fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workmanlike manner and must meet the performance and operational standards required under this Contract.

(b) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by the Contractor for this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any Deliverable(s). None of the Deliverable(s) provided by Contractor to the State, nor their use by the State, will infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party.

(c) If the Contractor procures any equipment, software, or other Deliverable(s) for the State (including equipment, software, and other Deliverable(s) manufactured, re-marketed or otherwise sold by the Contractor or under the Contractor's name), then the Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable(s).

(e) The Contract signatory has the authority to enter into this Contract on behalf of the Contractor.

(e) It is qualified and registered to transact business in all locations where required.

(f) Neither the Contractor nor any affiliates, nor any employee of either, has, will have, or will acquire, any interest that would conflict in any manner with the Contractor's performance of its duties and responsibilities to the State or otherwise create an appearance of impropriety with respect to the award or performance of this Contract. The Contractor must notify the State about the nature of any conflict or appearance of impropriety within two days of learning about it.

(g) Neither the Contractor nor any affiliates, nor any employee of either, has accepted or will accept anything of value based on an understanding that the actions of the Contractor, its affiliates, or its employees on behalf of the State would be influenced. The Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.

(h) Neither the Contractor nor any affiliates, nor any employee of either, has paid or agreed to pay any person, other than bona fide employees and consultants working solely for the Contractor or the affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(i) The Contractor arrived at its proposed prices independently, without communication or agreement with any other Bidder for the purpose of restricting competition. The Contractor did not knowingly disclose its quoted prices for this Contract to any other Bidder before the award of the Contract. The Contractor made no attempt to induce any other person or entity to submit or not submit a proposal for the purpose of restricting competition.

(j) All financial statements, reports, and other information furnished by the Contractor to the State in connection with the award of this Contract fairly and accurately represent the Contractor's business, properties, financial condition, and results of operations as of the respective dates covered by the financial statements,

reports, or other information. There has been no material adverse change in the Contractor's business, properties, financial condition, or results of operation.

(k) All written information furnished to the State by or for the Contractor in connection with the award of this Contract is true, accurate, and complete, and contains no false statement of material fact nor omits any material fact that would make the submitted information misleading.

(l) It will immediately notify DTMB-Procurement if any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract is awarded.

2.13.2 Warranty of Merchantability

The Deliverable(s) provided by the Contractor must be merchantable.

2.13.3 Warranty of Fitness for a Particular Purpose

The Deliverable(s) provided by the Contractor must be fit for the purpose(s) identified in this Contract.

2.13.4 Warranty of Title

The Contractor must convey good title to any Deliverable(s) provided to the State. All Deliverable(s) provided by the Contractor must be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Deliverable(s) provided by the Contractor must be delivered free of any rightful claim of infringement by any third person.

2.13.5 Equipment Warranty – Deleted, Not Applicable

2.13.6 New Deliverable(s) – Deleted, Not Applicable

2.13.7 Prohibited Products

Shipping of salvage, distressed, outdated, or discontinued goods to any State agency will be considered a material default by the Contractor. The brand and product number offered for all items will remain consistent for the term of the Contract, unless DTMB-Procurement has approved a change order under Section 2.3.4, Contract Changes.

2.13.8 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in Section 2.13, Warranties, the breach may be considered a material default.

2.14 Insurance

2.14.1 Liability Insurance

For the purpose of this Section, "State" includes its departments, divisions, agencies, offices, commissions, officers, employees, and agents.

(a) The following apply to all insurance requirements:

(i) The State, in its sole discretion, may approve the use of a fully-funded self-insurance program in place of any specified insurance identified in this Section.

(ii) Where specific coverage limits are listed in this Section, they represent the minimum acceptable limits. If the Contractor's policy contains higher limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits of coverage specified are not intended, and may not be construed to limit any liability or indemnity of the Contractor to any indemnified party or other persons.

(iii) If the Contractor fails to pay any premium for a required insurance policy, or if any insurer cancels or significantly reduces any required insurance without the State's approval, the State may, after giving the Contractor at least 30 days' notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or require the Contractor to pay that cost upon demand.

(iv) In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Michigan Attorney General.

(b) The Contractor must:

(i) provide proof that it has obtained the minimum levels of insurance coverage indicated or required by law, whichever is greater. The insurance must protect the State from claims that are alleged or may arise or result from the Contractor's or a Subcontractor's performance, including any person directly or indirectly employed by the Contractor or a Subcontractor, or any person for whose acts the Contractor or a Subcontractor may be liable.
(ii) waive all rights against the State for the recovery of damages that are covered by the insurance policies the Contractor is required to maintain under this Section. The Contractor's failure to obtain and maintain the required insurance will not limit this waiver.
(iii) ensure that all insurance coverage provided relative to this Contract is primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State.
(iv) obtain insurance, unless the State approves otherwise, from any insurer that has an A.M. Best rating of "A" or better and a financial size of VII or better, or if those ratings are not available, a comparable rating from an insurance rating agency approved by the State. All policies of insurance must be issued by companies that have been approved to do business in the State.
(v) maintain all required insurance coverage throughout the term of this Contract and any extensions. However, in the case of claims-made Commercial General Liability policies, the Contractor must secure tail coverage for at least three years following the termination of this Contract.
(vi) pay all deductibles.
(vii) pay for and provide the type and amount of insurance checked ☑ below:

☑ **(A) Commercial General Liability Insurance**

Minimal Limits:

$2,000,000 General Aggregate Limit other than Products/Completed Operations;
$2,000,000 Products/Completed Operations Aggregate Limit;
$1,000,000 Personal & Advertising Injury Limit; and
$1,000,000 Each Occurrence Limit.

Deductable maximum:

$50,000 Each Occurrence

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☐ **(B) Umbrella or Excess Liability Insurance**

Minimal Limits:

$10,000,000 General Aggregate

Additional Requirements:

Umbrella or Excess Liability limits must at least apply to the insurance required in (A), General Commercial Liability. The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑ **(C) Motor Vehicle Insurance**

Minimal Limits:

If a motor vehicle is used in relation to the Contractor's performance, the Contractor must have vehicle liability insurance on the motor vehicle for bodily injury and property damage as required by law.

☐ **(D) Hired and Non-Owned Motor Vehicle Coverage**

Minimal Limits:

$1,000,000 Per Accident

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the vehicle liability certificate. The Contractor must also provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑ **(E) Workers' Compensation Insurance**

Minimal Limits:

The Contractor must provide Workers' Compensation coverage according to applicable laws governing work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, the Contractor must provide proof of an approved self-insured authority by the jurisdiction of domicile.

For employees working outside of the state of the Contractor's domicile, the Contractor must provide certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Additional Requirements:

The Contractor must provide the applicable certificates of insurance and a list of states where the coverage is applicable. Contractor must provide proof that the Workers' Compensation insurance policies contain a waiver of subrogation by the insurance company, except where such a provision is prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☑ **(F) Employers Liability Insurance**

Minimal Limits:

$100,000 Each Accident;
$100,000 Each Employee by Disease
$500,000 Aggregate Disease

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate.

2.14.2 Subcontractor Insurance Coverage

Except where the State has approved a subcontract with other insurance provisions, the Contractor must require any Subcontractor to purchase and maintain the insurance coverage required in Section 2.14.1, Liability Insurance. Alternatively, the Contractor may include a Subcontractor under the Contractor's insurance on the coverage required in that Section. The failure of a Subcontractor to comply with insurance requirements does not limit the Contractor's liability or responsibility.

2.14.3 Certificates of Insurance and Other Requirements

Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers, and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. The Contractor must provide DTMB-Procurement with all applicable certificates of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in Section 2.14.1, Liability Insurance. Each certificate must be on the standard "accord" form or equivalent and MUST CONTAIN THE APPLICABLE CONTRACT OR PURCHASE ORDER NUMBER. Each certificate must be prepared and submitted by the insurer and must contain a provision indicating that the coverage afforded will not be cancelled, materially changed, or not renewed without 30 days prior notice, except for 10 days for nonpayment of premium, to the Director of DTMB-Procurement. The notice to the Director of DTMB-Procurement must include the applicable Contract or Purchase Order number.

2.15 Indemnification

2.15.1 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend, and hold the State harmless from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor, any of its subcontractors, or by anyone else for whose acts any of them may be liable.

2.15.2 Code Indemnification - Deleted, Not Applicable

2.15.3 Employee Indemnification

In any claims against the State, its departments, agencies, commissions, officers, employees, and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation will not be limited in any way by the amount or type of damages, compensation, or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts, or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.15.4 Patent/Copyright Infringement Indemnification

(a) To the extent permitted by law, the Contractor must indemnify and hold the State harmless from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest, and penalties) resulting from any action threatened or brought against the State to the extent that the action is based on a claim that any piece of equipment, software, commodity, or service supplied by the Contractor or its subcontractors, or its operation, use, or reproduction, infringes any United States patent, copyright, trademark or trade secret of any person or entity.

(b) If, in the State's or the Contractor's opinion, any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or its operation, use, or reproduction, is likely to become the subject of an infringement claim, the Contractor must, at its expense: (i) procure for the State the right to continue using the equipment, software, commodity or service or, if this option is not reasonably available to the Contractor; (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if this option is not reasonably available to Contractor; (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

(c) Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any infringement claim based upon: (i) equipment, software, commodity or service developed based on written specifications of the State; (ii) use of the equipment, software, or commodity in a configuration other than implemented or approved by the Contractor, including any modification of the same by the State; or (iii) the combination, operation, or use of the equipment, software, or commodity with equipment, software, or commodities not supplied by the Contractor under this Contract.

2.15.5 Continuing Obligation

The Contractor's duty to indemnify under Section 2.15, Indemnification, continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.15.6 Indemnification Procedures

These procedures apply to all indemnity obligations:

(a) After the State receives notice of an action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify the Contractor of the claim and take, or assist the Contractor in taking, any reasonable action to avoid a default judgment against the Contractor. Failure to notify the Contractor does not relieve the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the notification failure. Within 10 days following receipt of notice

from the State relating to any claim, the Contractor must notify the State whether the Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying the Contractor of a claim and before the State receives the Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs, including attorney fees, incurred by the State in defending against the claim during that period.

(b) If the Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in handling the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain prior approval of the State before entering into any settlement of the claim or ceasing to defend against the claim; and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim. The State may retain control of the defense and settlement of a claim by notifying the Contractor within 10 days after the State's receipt of the Contractor's information requested by the State under clause (ii) of this paragraph, if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If the Contractor does not deliver a Notice of Election relating to any claim of which it is notified, the State may defend the claim in a manner it deems appropriate, at the cost and expense of the Contractor. If it is determined that the claim was one against which the Contractor was required to indemnify the State, upon request of the State, the Contractor must promptly reimburse the State for all reasonable costs and expenses.

2.15.7 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorneys' fees awarded by a court in addition to damages after litigation based on this Contract.

2.16 Termination by the State

2.16.1 Notice and Right to Cure

If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, the State will provide the Contractor notice of the breach and a period of at least 30 days to cure the breach. The State does not need to provide notice or an opportunity to cure for successive or repeated breaches or if the State determines, in its sole discretion, that a breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.16.2 Termination for Cause

(a) The State may fully or partially terminate this Contract for cause by notifying the Contractor if the Contractor: (i) breaches any of its material duties or obligations (including a Chronic Failure to meet any SLA); or (ii) fails to cure a breach within the time period specified in a notice of breach provided by the State.

(b) The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees and court costs, and any additional costs the State incurs to procure the Deliverable(s) from other sources. Re-procurement costs are not consequential, indirect, or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Deliverable(s).

(c) If the State partially terminates this Contract for cause, any charges payable to the Contractor will be equitably adjusted to reflect those Deliverable(s) that are terminated. The State must pay for all

Deliverable(s) for which Final Acceptance has been granted before the termination date. Any services or related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates this Contract for cause and it is determined, for any reason, that the Contractor was not in breach of the Contract, the termination will be deemed to have been a termination under Section 2.16.3, Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in that Section.

2.16.3 Termination for Convenience

The State may fully or partially terminate this Contract for its convenience if the State determines that a termination is in the State's best interest. Reasons for the termination are within the sole discretion of the State and may include: (a) the State no longer needs the Deliverable(s) specified in this Contract; (b) a relocation of office, program changes, or changes in laws, rules, or regulations make the Deliverable(s) no longer practical or feasible for the State; (c) unacceptable prices for Contract changes; or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any ITB issued by the State. The State may terminate this Contract for its convenience by giving Contractor notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, any charges payable to the Contractor must be equitably adjusted to reflect those Deliverable(s) that are terminated.

2.16.4 Termination for Non-Appropriation

(a) If this Contract extends for more than one fiscal year, continuation of this Contract is subject to the appropriation or availability of funds. If sufficient funds to enable the State to continue payment are not appropriated or otherwise made available, the State must fully or partially terminate this Contract at the end of the last period for which funds have been appropriated or otherwise made available The State must give the Contractor notice at least 30 days before the date of termination, unless the State receives notice of the non-appropriation or unavailability less than 30 days before the end of the last period for which funds have been appropriated or otherwise made available.

(b) If funding for this Contract is reduced by law, or funds to pay the Contractor for the Deliverable(s) are not appropriated or are otherwise unavailable, the State may, upon 30 days' notice to the Contractor, change the Deliverable(s) in the manner and for the periods of time the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any Deliverable(s) not provided because of the reduction.

(c) If the State fully or partially terminates this Contract for non-appropriation, the State must pay the Contractor for all work-in-progress performed through the effective date of the termination to the extent funds are available.

2.16.5 Termination for Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty if the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor is convicted of a criminal offense related to a State, public, or private Contract or subcontract.

2.16.6 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for all work-in-progress performed through the effective date of the termination. The Contract may be fully or partially terminated and will be effective as of the date stated in the notice.

2.16.7 Rights and Obligations upon Termination

(a) If the State terminates this Contract for any reason, the Contractor must:

(i) stop all work as specified in the notice of termination;

(ii) take any action that may be necessary, or that the State may direct, to preserve and protect Deliverable(s) or other State property in the Contractor's possession;

(iii) return all materials and property provided directly or indirectly to the Contractor by any entity, agent, or employee of the State;

(iv) transfer title in and deliver to the State, unless otherwise directed, all Deliverable(s) intended to be transferred to the State at the termination of the Contract (which will be provided to the State on an "As-Is" basis except to the extent the State compensated the Contractor for warranty services related to the materials);
(v) to the maximum practical extent, take any action to mitigate and limit potential damages, including terminating or limiting subcontracts and outstanding orders for materials and supplies; and
(vi) take all appropriate action to secure and maintain State information confidentially in accordance with Section 2.11, Confidentiality.

(b) If the State terminates this Contract under Section 2.16.3, Termination for Convenience, the State must pay the Contractor all charges due for Deliverable(s) provided before the date of termination and, if applicable, as a separate item of payment, for work-in-progress, based on a percentage of completion determined by the State. All completed or partially completed Deliverable(s) prepared by the Contractor, at the option of the State, become the State's property, and the Contractor is entitled to receive equitable compensation for those Deliverable(s). Regardless of the basis for the termination, the State is not obligated to pay or otherwise compensate the Contractor for any lost expected future profits, costs, or expenses incurred with respect to Deliverable(s) not actually completed.

(c) If the State terminates this Contract for any reason, the State may assume, at its option, any subcontracts and agreements for Deliverable(s), and may pursue completion of the Deliverable(s) by replacement contract or as the State deems expedient.

2.16.8 Reservation of Rights

In the event of any full or partial termination of this Contract, each party reserves all rights or remedies otherwise available to the party.

2.16.9 Contractor Transition Responsibilities

If this Contract terminates under Section 2.16, Termination by the State, the Contractor must make reasonable efforts to transition the performance of the work, including all applicable equipment, services, software, and leases, to the State or a third party designated by the State within a reasonable period of time that does not exceed 60 days from the date of termination. The Contractor must provide any required reports and documentation.

2.16.10 Transition Payments

If the transition responsibilities outlined in Section 2.16.9, Contractor Transition Responsibilities, arise based on a termination of this Contract, reimbursement will be governed by the provisions of Section 2.16, Termination by the State. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e., costs incurred after the expiration within the time period in Section 2.16.9 that result from transition operations) at the Contract rates. The Contractor must prepare an accurate accounting from which the State and the Contractor may reconcile all outstanding accounts.

2.17 Termination by the Contractor

2.17.1 Termination

If the State breaches the Contract and the Contractor, in its sole discretion, determines that the breach is curable, then the Contractor will provide the State with notice of the breach and a time period (not less than 30 days) to cure the breach.

The Contractor may terminate this Contract if the State: (a) materially breaches its obligation to pay the Contractor undisputed amounts due; (b) breaches its other obligations to an extent that makes it impossible or commercially impractical for the Contractor to complete the Deliverable(s); or (c) does not cure the breach within the time period specified in a notice of breach. The Contractor must discharge its obligations under Section 2.20, Dispute Resolution, before it terminates the Contract.

2.18 Stop Work

2.18.1 Stop Work Order – Deleted, Not Applicable

2.18.2 Termination of Stop Work Order –Deleted, Not Applicable

2.18.3 Allowance of the Contractor's Costs – Deleted, Not Applicable

2.19 Reserved

2.20 Dispute Resolution

2.20.1 General

(a) The Contractor must submit any claim related to this Contract to the State under Section 2.3.6, Notices, together with all supporting documentation for the claim.

(b) The representatives of the Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information related to the claim.

(c) During the course of negotiations, each party will honor all reasonable requests made by the other for non-privileged information reasonably related to the claim.

2.20.2 Informal Dispute Resolution

(a) If, after a reasonable time following submission of a claim under Section 2.20.1, General, the parties are unable to resolve the claim, the parties must meet with the Director of DTMB-Procurement, or his or her designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings.

(b) Within 60 calendar days of the meeting with the Director of DTMB-Procurement, or such other time as agreed to by the parties, the Director of DTMB-Procurement will issue a written recommendation regarding settlement of the claim. The Contractor must notify DTMB-Procurement within 21 days after the recommendation is issued whether the Contractor accepts or rejects the recommendation. Acceptance by the Contractor constitutes the final resolution of the claim addressed in the recommendation, and the Contractor may not assert that claim in any future litigation or other proceeding between the parties.

(c) The recommendation of the Director of DTMB-Procurement is not admissible in any future litigation or other proceeding between the parties. The conduct and statements made during the course of negotiations or dispute resolution under Section 2.20, Dispute Resolution, are subject to Michigan Rule of Evidence 408 and are not admissible in any future litigation or other proceeding between the parties.

(d) This section will not be construed to prohibit either party from instituting formal proceedings to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.20.3, Injunctive Relief.

(e) DTMB-Procurement will not mediate disputes between the Contractor and any other entity, except State agencies, concerning responsibility for performance of work.

2.20.3 Injunctive Relief

A claim between the State and the Contractor is not subject to the provisions of Section 2.20.2, Informal Dispute Resolution, where a party makes a good faith determination that a breach of the Contract by the other party will result in damages so immediate, so large or severe, and so incapable of adequate redress that a temporary restraining order or other injunctive relief is the only adequate remedy.

2.20.4 Continued Performance

Each party will continue performing its obligations under the Contract while a claim is being resolved, except to the extent the claim precludes performance and without limiting either party's right to terminate the Contract as provided in Section 2.16, Termination by the State or Section 2.17, Termination by the Contractor. A claim involving payment does not preclude performance.

2.21 Disclosure Responsibilities

2.21.1 Disclosure of Litigation

(a) Within 30 days after receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "Proceeding") that arises during the term of this Contract, the Contractor must disclose the following to the Contract Administrator:

(i) A criminal Proceeding involving the Contractor (or any Subcontractor) or any of its officers or directors;

(ii) A parole or probation Proceeding;
(iii) A Proceeding involving the Contractor (or any Subcontractor) or any of its officers or directors under the Sarbanes-Oxley Act; and
(iv) A civil Proceeding to which the Contractor (or, if the Contractor is aware, any Subcontractor) is a party, and which involves (A) a claim that might reasonably be expected to adversely affect the viability or financial stability of the Contractor or any Subcontractor; or (B) a claim or written allegation of fraud against the Contractor (or, if the Contractor is aware, any Subcontractor) by a governmental or public entity arising out of the Contractor's business dealings with governmental or public entities.

(b) Information provided to the State from the Contractor's publicly filed documents will satisfy the requirements of this Section.

(c) If any Proceeding that is disclosed to the State or of which the State otherwise becomes aware, during the term of this Contract, would cause a reasonable party to be concerned about: (i) the ability of the Contractor (or a Subcontractor) to continue to perform this Contract; or (ii) whether the Contractor (or a Subcontractor) is engaged in conduct that is similar in nature to the conduct alleged in the Proceeding and would constitute a breach of this Contract or a violation of federal or state law, regulations, or public policy, then the Contractor must provide the State all requested reasonable assurances that the Contractor and its Subcontractors will be able to continue to perform this Contract.

2.21.2 Other Disclosures

The Contractor must notify DTMB-Procurement within 30 days of:

(a) becoming aware that a change in the Contractor's ownership or officers has occurred or is certain to occur; or

(b) any changes to company affiliations.

2.21.3 Call Center Disclosure

The Contractor and all Subcontractors involved in the performance of this Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of this Contract.

2.22 Extended Purchasing

2.22.1 MiDEAL Requirements – Deleted, Not Applicable

2.22.2 State Administrative Fee - Deleted, Not Applicable

2.22.3 State Employee Purchase Requirements – Deleted, Not Applicable

2.22.4 Cooperative Purchasing – Deleted, Not Applicable

2.23 Laws

2.23.1 Governing Law

This Contract is governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of another jurisdiction to the extent not inconsistent with or preempted by federal law.

2.23.2 Compliance with Laws

The Contractor must comply with all applicable federal, state, and local laws and ordinances in providing the Deliverable(s).

2.23.3 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, the Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections to this venue that it may have, such as lack of personal jurisdiction or *forum non conveniens*. The Contractor must appoint agents in the State of Michigan to receive service of process.

2.23.4 Nondiscrimination

In the performance of the Contract, the Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, or physical or mental disability. The Contractor further agrees that every subcontract entered into for the performance of this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq*., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq*., and any breach of this provision may be regarded as a material breach of the Contract.

2.23.5 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, *et seq*., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under MCL 423.322. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under MCL 423.324, the State may void any Contract if, after award of the Contract, the name of the Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of the Contractor appears in the register.

2.23.6 Environmental Provision

For the purposes of this section, "Hazardous Materials" include asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state, or local laws governing the protection of the public health, natural resources, or the environment:

(a) The Contractor must use, handle, store, dispose of, process, transport, and transfer any Hazardous Material according to all federal, State, and local laws. The State must immediately advise the Contractor of the presence of any known Hazardous Material at the work site. If the Contractor encounters material reasonably believed to be Hazardous Material that may present a substantial danger, the Contractor must: (i) immediately stop all affected work; (ii) notify the State in accordance with Section 2.3.6, Notices; (iii) notify any entities required by law; and (iv) take appropriate health and safety precautions.

(b) The State may issue a Stop Work Order if the material is a Hazardous Material that may present a substantial danger and the Hazardous Material was not brought to the site by the Contractor, or does not wholly or partially result from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials. The State may remove the Hazardous Material, render it harmless, or terminate the affected work for the State's convenience.

(c) If the Hazardous Material was brought to the site by the Contractor, or wholly or partially results from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to applicable laws.

2.23.7 Freedom of Information

This Contract and all information submitted to the State by the Contractor is subject to the Michigan Freedom of Information Act (FOIA), 1976 PA 442, MCL 15.231, *et seq*.

2.23.8 Workplace Safety and Discriminatory Harassment - Deleted, Not Applicable

2.23.9 Prevailing Wage - Deleted, Not Applicable

2.23.10 Abusive Labor Practices

The Contractor may not furnish any Deliverable(s) that were produced fully or partially by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

"Forced or indentured child labor" means all work or service (1) exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or (2) performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.

2.24 General Provisions

2.24.1 Bankruptcy and Insolvency

The State may, without prejudice to any other right or remedy, fully or partially terminate this Contract and, at its option, take possession of the work-in-progress and finish the work-in-progress by whatever method the State deems appropriate if:

(a) the Contractor files for bankruptcy protection;
(b) an involuntary petition is filed against the Contractor and not dismissed within 30 days;
(c) the Contractor becomes insolvent or a receiver is appointed due to the Contractor's insolvency;
(d) the Contractor makes a general assignment for the benefit of creditors; or
(e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can provide the Deliverable(s) under this Contract.

Contractor will place appropriate notices or labels on the work-in-progress to indicate ownership by the State. To the extent reasonably possible, work-in-progress must be stored separately from other stock and marked conspicuously with labels indicating State ownership.

2.24.2 Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the ITB and this Contract or the project to which it relates will not be made without prior approval by the State, and only in accordance with the instructions from the State.

2.24.3 Contract Distribution

DTMB-Procurement retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by DTMB-Procurement.

2.24.4 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses, and approvals for the delivery, installation, and performance of the Contract.

2.24.5 Website Incorporation

The State is not bound by any content on the Contractor's website unless incorporated directly into this Contract.

2.24.6 Future Bidding Preclusion -Deleted, Not Applicable

2.24.7 Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract.

2.24.8 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as mandated by federal disaster response requirements, Contractor personnel dedicated to providing Deliverable(s) under this Contract will provide the State with priority.

2.24.9 Legal Effect

The State is not liable for costs incurred by the Contractor or for payment(s) under this Contract until the Contractor is authorized to perform under Section 1.2.4, Ordering.

2.24.10 Entire Agreement

This Contract constitutes the entire agreement between the parties and supersedes all prior agreements, whether written or oral, with respect to the subject matter. All attachments referenced in this Contract are incorporated in their entirety and form part of this Contract.

2.24.11 Order of Precedence

Any inconsistency in the terms associated with this Contract will be resolved by giving precedence to the terms in the following descending order:

(a) Mandatory sections (2.1.1, Contract Term, 2.24.9, Legal Effect, 2.2.2, Payment Deadlines, 2.14, Insurance, 2.15, Indemnification, 2.16, Termination, 2.23, Governing Law, 2.15.7, Limitation of Liability);

(b) The most recent Statement of Work related to this Contract;

(c) All sections from Article 2 - Terms and Conditions, not listed in subsection (a);

(d) Any attachment or exhibit to the Contract documents;

(e) Any Purchase Order, Direct Voucher, or Procurement Card Order issued under the Contract; and

(f) Bidder Responses contained in any of the ITB documents.

2.24.12 Headings

The captions and section headings used in this Contract are for convenience only and may not be used to interpret the scope and intent of this Contract.

2.24.13 Form, Function and Utility – Deleted, Not Applicable

2.24.14 Reformation and Severability

Each provision of the Contract is severable from all other provisions of the Contract. If any provision of this Contract is held unenforceable, then the Contract will be modified to reflect the parties' original intent. All remaining provisions of the Contract remain in full force and effect.

2.24.15 Approval

Unless otherwise provided in this Contract, approval(s) must be in writing and must not be unreasonably withheld or delayed.

2.24.16 No Waiver of Default

Failure by a party to insist upon strict adherence to any term of the Contract does not waive that party's right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.24.17 Survival

The provisions of this Contract that impose continuing obligations, including warranties, indemnification, and confidentiality, will survive the expiration or termination of this Contract.

2.24.18 PCI Data Security Standard

(a) Contractors that process, transmit or store credit/debit cardholder data, must adhere to the Payment Card Industry (PCI) Data Security Standards. The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.

(b) The Contractor must notify the CCI (within 72 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the Visa, MasterCard, Discover and state Acquirer representative(s), and/or a PCI approved third party to conduct a thorough security review. The Contractor must make the forensic report available within two weeks of completion. The review must validate compliance with the current PCI Data Security Standards for protecting cardholder data.

(c) The Contractor must properly dispose of cardholder data, in compliance with DTMB policy, when it is no longer needed. The Contractor must continue to treat cardholder data as confidential upon contract termination.

(d) The Contractor must provide the CCI with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) showing the contractor is in compliance with the PCI Data Security Standards. The Contractor must notify the CCI of all failures to comply with the PCI Data Security Standard.

Attachment A, Pricing

Line Item	Specification Info	U/M	Less than 40,000 lbs Truckload Quantity	Truckload Quantity 40,000 lbs or more
BioDry 1000LP A low phosphorus (less than 0.9%), extruded, low-pollution dry feed. *Feed composition:* Protein (min) 50.0%; Oil (min) 18.0%; Fiber (max) 1.0%; Ash (max) 8.0%; Moisture (max) 8.5%; Phosphorus (min) 0.6%.				
1	**1.2 mm pellet**	LB	$ 1.42	$ 1.39
2	**1.5 mm pellet**	LB	$ 1.27	$ 1.24
3	**2.0 mm pellet**	LB	$ 1.21	$ 1.18
4	**2.5 mm pellet**	LB	$ 1.19	$ 1.16
5	**3.0 mm pellet**	LB	$ 1.18	$ 1.15
6	**4.0 mm pellet**	LB	$ 1.17	$ 1.14
BioBrood An extruded, dry feed for rearing pre-spawning salmon and trout. *Feed composition:* Protein (min) 48.0%; Oil (min) 20.0%; Fiber (max) 1.0%; Ash (max) 11.0%; Moisture (max) 8.5%; Phosphorus (min) 1.4%.				
7	**4.0 mm pellet**	LB	$ 1.40	$ 1.37
8	**6.0 mm pellet**	LB	$ 1.40	$ 1.37
9	**9.0 mm pellet**	LB	$ 1.40	$ 1.37
10	**12.0 mm pellet**	LB	$ 1.40	$ 1.37
BioVita Starter An extruded, high protein, high energy, dry feed. *Feed composition:* Protein (min) 53.0%; Oil (min) 18.0%; Fiber (max) 1.0%; Ash (max) 12.0%; Moisture (max) 8.5%; Phosphorus (min) 1.2%.				
11	**Mash, 0.25 – 0.40 mm**	LB	$ 1.58	$ 1.55
12	**Size #0, 0.3 – 0.6 mm**	LB	$ 1.58	$ 1.55
13	**Size #1, 0.4 – 0.1.0 mm**	LB	$ 1.58	$ 1.55
14	**Size #2, 0.8 – 1.4 mm**	LB	$ 1.58	$ 1.55
BioVita Fry An extruded, high protein, high energy, dry feed. *Feed composition:* Protein (min) 50.0%; Oil (min) 22.0%; Fiber (max) 1.0%; Ash (max) 13.0%; Moisture (max) 8.5%; Phosphorus (min) 1.2%.				
15	**1.2 mm pellet**	LB	$ 1.48	$ 1.45
16	**1.5 mm pellet**	LB	$ 1.36	$ 1.33
17	**2.0 mm pellet**	LB	$ 1.28	$ 1.25
18	**2.5 mm pellet**	LB	$ 1.26	$ 1.23
19	**3.0 mm pellet**	LB	$ 1.22	$ 1.19
Medicated Bio A medicated dry feed Protein (min) 50%; fat (min) 20%				
20	**Medicated Bio feed with Romet 30 added; Feed Size #0, #1, #2, 1.2 mm,**			
	0.56% Romet 30 dose	LB	$ 1.72	
	0.835% Romet 30 dose	LB	$ 1.79	
	1.67% Romet 30 dose	LB	$ 2.01	
21	**Medicated Bio feed with Romet 30 added; Feed Size 1.5 mm - 3.0 mm**			
	0.56% Romet 30 dose	LB	$ 1.50	
	0.835% Romet 30 dose	LB	$ 1.58	

	1.67% Romet 30 dose	LB	$ 1.79	
22	**Medicated Bio feed with Terramycin 209 added; Feed Size #0, #1, #2, 1.2 mm**			
	0.50% Terramycin 209 dose	LB	$ 1.62	
	1.00% Terramycin 209 dose	LB	$ 1.67	
	1.50% Terramycin 209 dose	LB	$ 1.71	
	2.00% Terramycin 209 dose	LB	$ 1.75	
	2.50% Terramycin 209 dose	LB	$ 1.80	
	3.00% Terramycin 209 dose	LB	$ 1.84	
23	**Medicated Bio feed with Terramycin 209 added; Feed Size 1.5 mm - 3.0 mm**			
	0.50% Terramycin 209 dose	LB	$ 1.40	
	1.00% Terramycin 209 dose	LB	$ 1.45	
	1.50% Terramycin 209 dose	LB	$ 1.49	
	2.00% Terramycin 209 dose	LB	$ 1.53	
	2.50% Terramycin 209 dose	LB	$ 1.58	
	3.00% Terramycin 209 dose	LB	$ 1.62	
24	**Medicated Bio feed with Aquaflor added; Feed Size #0, #1, #2, 1.2 mm**			
	0.04% Aquaflor dose	LB	$ 1.69	
	0.07% Aquaflor dose	LB	$ 1.76	
	0.10% Aquaflor dose	LB	$ 1.86	
	0.20% Aquaflor dose	LB	$ 2.13	
	0.40% Aquaflor dose	LB	$ 2.68	
25	**Medicated Bio feed with Aquaflor added; Feed Size 1.5 mm - 3.0 mm**			
	0.04% Aquaflor dose	LB	$ 1.47	
	0.07% Aquaflor dose	LB	$ 1.54	
	0.10% Aquaflor dose	LB	$ 1.64	
	0.20% Aquaflor dose	LB	$ 1.91	
	0.40% Aquaflor dose	LB	$ 2.46	
26	**Medicated Bio feed with Aquamycin 100 added; Crumbles Feed Size #1, #2**			
	1.125% Aquamycin 100 dose	LB	$ 1.81	
	1.80% Aquamycin 100 dose	LB	$ 1.94	
	2.25% Aquamycin 100 dose	LB	$ 2.04	
	3.00% Aquamycin 100 dose	LB	$ 2.19	
	4.50% Aquamycin 100 dose	LB	$ 2.49	
27	**Medicated Bio feed with Aquamycin 100 added; Pellets, All Sizes**			
	1.125% Aquamycin 100 dose	LB	$ 1.59	
	1.80% Aquamycin 100 dose	LB	$ 1.72	
	2.25% Aquamycin 100 dose	LB	$ 1.82	
	3.00% Aquamycin 100 dose	LB	$ 1.97	
	4.50% Aquamycin 100 dose	LB	$ 2.27	
28	**Additional or miscellaneous fees (i.e. Mixing Fee) for Medicated Feeds**	LB	$ 0.00	
29	**Freight (if not included in per pound cost of feed) – price quoted is maximum amount to be charged; actual charge may be less.**			
	Order size < 1,000 lbs	EA	$ N/A	
	Order size 1,001 to 5,000 lbs	EA	$ N/A	
	Order size 5,001 to 10,000 lbs	EA	$ N/A	
	Order size > 10,000 lbs	EA	$ N/A	

Quick Payment Terms:
No quick payment discount will be offered; payment terms are Net 45 Days.